

Opening Statement of the Honorable Fred Upton
Subcommittee on Energy and Power
Hearing on “U.S. Energy Abundance: Regulatory, Market, and Legal Barriers to Export”
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(As Prepared for Delivery)

America's energy landscape is changing for the better, creating opportunities for jobs, economic growth, energy security, and an enhanced standing around the world. But this bright energy future is far from guaranteed. Federal laws and regulations that are stuck in the past could devastate newfound opportunity, in addition to an administration that seems more intent on rewarding a handful of environmental activist allies rather than capitalizing on our new energy abundance that would create jobs and stimulate the economy for the betterment of all.

According to the Congressional Research Service, America has the largest fossil fuel reserves of any nation on earth, and estimates keep growing because of technological advances.

At the same time, the global demand for energy is on the rise. According to the World Bank, more than 1.2 billion people - 17 percent of the world's population - are still without access to electricity. Put two and two together, and the U.S. has the potential to become the world's preeminent supplier of affordable and reliable energy. With commonsense planning and continued safe and responsible development, our country can help to take the power back from OPEC and geopolitically unstable regions of the world and be a force of change to help bring nations out of poverty with our energy resources.

We are already seeing increased exports of coal, and rapidly rising domestic natural gas production is likely to become the next American-made energy source to reach the global market. As a recent report conducted for the Department of Energy concluded, America can export a portion of its natural gas abundance while still maintaining affordable domestic supplies to continue powering our manufacturing renaissance.

All that is missing is the additional infrastructure to make expanded exports possible – and achieving our export potential would have the added benefit of creating thousands of new jobs.

Unfortunately, the build-up of red tape over the last several decades has become a real obstacle, especially for the kinds of major projects that will be needed such as pipelines, ports, and LNG facilities. The cumbersome federal approval process is out of step with where we are as an energy-producing nation today.

This is partly due to the ingrained mindset of energy scarcity that has proven slow to change despite the dramatic and unexpected rise in domestic energy supplies. But it is also due to overlapping laws and regulations that create multiple opportunities for delays and for litigation.

The Keystone XL pipeline is a perfect example of the kind of project delays we are talking about. We have been waiting for nearly five years for federal approval of Keystone XL. When it comes to the projects necessary to expand exports, thereby increasing jobs and improving our trade balance, we should not have to wait that long. Just as we are putting jobs at risk by failing to approve Keystone XL, we may forego jobs and economic growth by not pursuing energy export projects in a timely fashion.

The private sector has made rapid progress in unlocking our energy abundance. What the American people now need is a regulatory process that can keep up with this evolving energy landscape.

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